

Illinois Creek Gold Mine

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Ground Truth Trekking

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Summary

The Illinois Creek Mine gold and silver mine in west central Alaska operated briefly in 1997, but the mining company went bankrupt in 1998. The state of Alaska took control of the mine in 1999 and soon after initiated a “mine-to-reclaim” program. In this novel program, another company called the American Reclamation Group operated the mine for a few years in order to stockpile cash to be used for reclamation of the mine. The state declared the mine fully reclaimed in 2005.

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ILLINOIS CREEK MINE — The mine during reclamation in 2004 — Get Photo (/photos/illinois-creek-mine/)

Background

The Illinois Creek Mine was designed as an open-pit, cyanide heap leaching (/Issues/MetalsMining/GoldCyanidation.html) operation. Resources at the mine were estimated to be 350,000 ounces of gold and 2.5 million ounces of silver (http://en.wikipedia.org/wiki/Gold_mining_in_Alaska#Illinois_Creek_Mine). USMX/Dakota Mining operated the mine through a subsidiary called USMX Alaska. Financial and technical problems (http://northern.org/

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programs/clean-water-mines/hardrock-mines-in-interior-and-arctic-alaska/illinois-creek-mine/illinois-creek-mine) plagued the mine, beginning in the permitting process, continuing through mine construction, and resulting in the closure of the mine only a few months after mining began. One of the most significant concerns of regulators was that the heap leach liner had been constructed inappropriately, and could potentially spill cyanide (/Issues/MetalsMining/GoldCyanidation.html) and acid mine drainage (/Issues/MetalsMining/AcidMineDrainage.html) into the environment at the mine site.

USMX posted a $1.6 million reclamation bond (http://www.csp2.org/files/reports/Alaska%20Reclamation%20Bonding%20-%20Sep05.pdf) to the state, which proved more than $1 million shy of the costs to close and reclaim the mine. Attempts to operate the mine by a bank, and another mining company called Viceroy Resources both failed. In 2000 the for-profit American Reclamation Group LLC began the mine-to-reclaim process, basically obtaining the mine for free from the state. Under this arrangement the company would operate the site, while preparing it for reclamation and paying all reclamation costs before taking a profit. By 2005 the company had closed and reclaimed the mine and placed almost $850,000 (http://www.pebbledocs.org/Coalition%20Reports/chambers_-_alaska_mine_regulatory_failures_-_15mar07.pdf) into a trust fund held by the state to support environmental monitoring at the site over the next 30 years.

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Current Status

In June 2011, a mining exploration company called Silver Predator Corporation signed an option (http://www.prnewswire.com/news-releases/silver-predator-options-illinois-creek-silver-gold-property-in-alaska-124191559.html) to acquire the leases around the mine site for possible development. In 2013, the property was sold to Plan B Mineral Corporation who began exploring the property.

Further Reading

> Northern Alaska Environmental Center page on Illinois Creek Mine (http://northern.org/programs/clean-water-mines/hardrock-mines-in-interior-and-arctic-alaska/illinois-creek-mine/illinois-creek-mine)

> "Illinois Creek Mine – Inadequate Reclamation Bonding" by David Chambers (2007) (http://www.pebbledocs.org/Coalition%20Reports/chambers_-_alaska_mine_regulatory_failures_-_15mar07.pdf)

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